

**GOVERNANCE AND AUDIT COMMITTEE: 24 OCTOBER 2023**

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**TREASURY MANAGEMENT ANNUAL REPORT 2022/23**

**REPORT OF THE CORPORATE DIRECTOR RESOURCES**

**AGENDA ITEM: 10.1**

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***Annexes B & C to Appendix 1 to this report are not for publication as they contain exempt information of the description in Paragraphs 14 and 21 of Schedule 12A of the Local Government Act 1972.***

**Reason for this Report**

1. The Governance and Audit Committee Terms of Reference sets out their responsibility for undertaking scrutiny of the accounting, audit and commercial issues in relation to the Council's Treasury Management Strategy and practices.
2. This report has been prepared to provide Committee Members with the Draft Treasury Management Annual Report along with submission to Council in accordance with the Council's Treasury Management Policy. This is scheduled for 26 October 2023

**Background**

3. The Council's treasury management activities are governed by legislation and a Code of Practice developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) updated in 2021.

**Issues**

4. In accordance with regulatory requirements, reports were submitted to Council in March 2022 indicating the Treasury Management Strategy for 2022/23 and a Mid-Year update report in November 2022. The following paragraphs cover the main highlights of the Annual Report for 2022/23 which is a backward looking summary of Treasury Management activities during that period.
5. At 31 March 2023, investments stood at £160.6 million. The annual report includes charts indicating who the investments are placed with and for how long. All investments are deemed recoverable and so no losses are required to be recognised in the Council's Statement of Accounts for activities during 2022/23. Interest receivable for the general fund from treasury investments totalled £2.650 million during the year.

6. At 31 March 2023, the Council had £855.1 million of external borrowing, with £22.3 million of new borrowing and £22.8 million of scheduled repayments during 2022/23. Interest payable during the year from its revenue budget on this debt was £34.1 million of which £13.5 million was paid for by the Housing Revenue Account.
7. At the start of the financial year, the Council is required to set a number of prudential indicators for capital expenditure and its treasury management activities. During 2022/23, there was no breach of indicators requiring a separate report to Council.
8. The Treasury Management Annual Report for 2022/23 is included at Appendix 1.

### **Reasons for Recommendations**

9. To allow Governance and Audit Committee to undertake the scrutiny of Treasury Management in accordance with Council's Treasury Management Policies. Council policy requires the Treasury Management Annual Report 2022/23 update to be submitted to Council.

### **Legal Implications**

10. No direct legal implications arise from this report.

### **Financial Implications**

11. The Council's treasury management activities are undertaken in accordance with the policies adopted by Council and under professional codes of conduct established by CIPFA, the Welsh Government and the Corporate Director Resources as part of Treasury Management Practices. This report is part of a suite of reports that members receive on the Council's treasury management activities during the course of a year. Whilst there are no direct financial implications arising from this report, the risks involved with treasury management are continuously reviewed as part of the Council's Medium term Financial Plan.

### **RECOMMENDATION**

To note the Treasury Management Annual Report 2022/23 (Appendix 1).

### **CHRISTOPHER LEE**

Corporate Director Resources

24 October 2023

The following Appendix is attached:-

Appendix 1: Treasury Management Annual Report 2022/23

Annexe A – Treasury Management Policy Extract

Annexe B – Investments at 31 March 2023 (Confidential)

Annexe C – Investment Charts at 31 March 2023 (Confidential)

Annexe D – Maturity Analysis of borrowing as at 31 March 2023

Annexe E – Glossary of Treasury Management terms